

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices

Docket No. CP2020-195

International Priority Airmail, International Surface Air Lift,
Commercial ePacket, Priority Mail Express International,
Priority Mail International & First-Class Package International Service
with Reseller Contract 1
(MC2020-172)
Negotiated Service Agreement

PUBLIC REPRESENTATIVE COMMENTS ON
THE UNITED STATES POSTAL SERVICE NOTICE OF MODIFICATION
TO INTERNATIONAL PRIORITY AIRMAIL, INTERNATIONAL SURFACE AIR LIFT,
COMMERCIAL EPACKET, PRIORITY MAIL EXPRESS INTERNATIONAL, PRIORITY
MAIL INTERNATIONAL & FIRST-CLASS PACKAGE INTERNATIONAL SERVICE
WITH RESELLER CONTRACT 1

(January 5, 2020)

The Public Representative hereby provides comments pursuant to the Commission's Notice Initiating Docket(s).¹ In that Notice, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice of a modification to International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 1.² Attachment 1 to the Notice consists of a redacted version of the Modification to International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail

¹ Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, December 28, 2020 (Notice).

² USPS Notice of Modification One to International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 1, December 16, 2020 (Modification).

International & First-Class Package International Service with Reseller Contract 1. The non-redacted amendment was filed under seal.

In Order No. 5572, the Commission approved the Postal Service's request to add a new product identified as International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 1 to the Competitive product list.³ This is the second amendment the Postal Service has filed for this product. The Amendment updates the terms and applicable pricing. The effective date of the Modification will be shared as soon as possible, but no longer than thirty (30) days following the day on which the Commission issues all necessary regulatory approvals. Additionally, the Modification is set to remain in effect until February 28, 2023, unless terminated due to stated provisions. Attachment 1 at 2.

COMMENTS

The Public Representative has reviewed the original contract and the Postal Service's Modification. Based upon that review, the Public Representative recommends Commission approval of the Modification to International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 1. It appears that the contract as modified should continue to generate sufficient revenues to cover costs and thereby satisfies the standards of 39 U.S.C. § 3633(a).

Requirements of 39 U.S.C. § 3633. Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service. Based upon a review of the financial model, it appears the prices as amended should continue to generate sufficient revenues to cover costs during the next year. In addition, the Postal Service

³ See Order No. 5572, Order Adding International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 1 to the Competitive Product List, Docket Nos. MC2020-172/CP2020-195, June 30, 2020.

must file revenue and cost data for International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 1 in future Annual Compliance Reports. This data will permit the Commission to annually review the financial results for International Priority Airmail, International Surface Air Lift, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 1 in future Annual Compliance Determination (ACD) reports for compliance with 39 U.S.C. § 3633(a).

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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